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Plaintiff and Counterdefendant Summit Entertainment, LLC, Defendant and Counterclaimant B.B. Dakota, Inc., and Defendant ModCloth, Inc. have submitted a Stipulated Protective Order ("the Stipulation"). Pursuant to the Stipulation, the parties believe that a protective order restricting the use and dissemination of confidential, proprietary, and competitively sensitive information and documents is necessary and appropriate to facilitate discovery and litigation in this action. Certain of plaintiff Summit Entertainment, LLC's licensees and defendants B.B. Dakota, Inc. and ModCloth, Inc. are competitors in the apparel industry, and this protective order is necessary to protect against any of these parties unfairly obtaining a competitive advantage in the marketplace by access to their competitors' sales information, marketing strategies, consumer and market research, agreements related to the manufacturing and sale of apparel, or other nonpublic information that could potentially be used by a competing party to obtain a competitive advantage. Examples of the type of information which the parties believe might result in an unfair competitive advantage if disseminated to competitors without protection are listed in paragraphs 2 and 3 below. The parties also believe that such an order is necessary and appropriate to enable the parties to conduct discovery of non-parties, including competitors and employees of competitors, that may have similar concerns regarding their confidential, proprietary or competitively sensitive information and documents.

Finally, Summit's licensee agreements are highly confidential and have been treated as such by other courts in this District in entering protective orders. *See Summit Entertainment, LLC v. Becket Media, Inc.*, Case No. CV09-8161 PSG (MANx), Protective Order, Docket No. 75. Disclosure of Summit's licensing information without a protective order would put Summit at a disadvantage because all of its current and potential licensees would know Summit's licensing structure for the various licenses entered for the *Twilight* Motion Pictures property. Finally, Summit is not a public company and therefore maintains its financial records as

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confidential and does not disclose such information publicly.

Accordingly, the Court, having considered the Stipulation and good cause appearing therefore, hereby ORDERS as follows:

- 1. Any confidential information or documents produced by or on behalf of any party or non-party as part of discovery in this action may be designated by the producing party(ies) as "Confidential" or "Highly Confidential Outside Counsel Only" (referred to herein as "Outside Counsel Only") (collectively referred to herein as "Protected Information"). As a general guideline, any information that is publicly available should not be designated as Protected Information.
- 2. A document should be designated "Confidential" when it contains or reflects confidential business information, relating to information which the disclosing party or non-party believes in good faith contains, constitutes or reveals non-public customer lists, financial information relating to pricing, gross revenue, units sold and profits for products at issue in the litigation, or other information of a confidential, proprietary, private or personal nature.
- 3. Information or documents designated "Outside Counsel Only" shall be limited to trade secrets as defined by Cal. Civil Code § 3426.1 or marketing plans or strategies, market surveys, business plans, pricing plans, strategic plans, license agreements or negotiations, distribution agreements, manufacturing agreements, manufacturing processes, manufacturing drawings, employee files, merchandising, research and development of products and technical matters not yet released or sold, general financial information or projections, including, without limitation, budgets, net worth, identity of shareholders, or other documents relating to total revenue earned, financial information not related to the product at issue in this litigation and asset information that is not public knowledge.
- 4. Information designated "Confidential" and "Outside Counsel Only" may be used only in connection with this proceeding, and not for any other purpose. Such information may not be disclosed to anyone except as provided in this

Protective Order.

- 5. Any party or non-party wishing to come within the provisions of this Protective Order may designate in writing the documents (as defined in Fed. R. Civ. P. 34 and Fed. R. Evid. 1001) or portions thereof that it considers confidential at the time the documents are produced. Each page of the document must be marked "Confidential" or "Outside Counsel Only" by the producing party, and any Protected Information exchanged prior to this Protective Order being entered by the Court shall, within a reasonable time hereafter, be so marked on each such page, if such markings do not include every such page. It is the intent of the parties that each document previously designated as "Confidential" and "Outside Counsel Only" and transmitted to the respective other parties, including any such documents and information exchanged for settlement purposes, are to be covered by this Protective Order. "Confidential" and "Outside Counsel Only" documents or things that cannot be reasonably labeled pursuant to this paragraph shall be so designated by the producing party by informing the receiving parties in writing.
- 6. In the instance of deposition testimony, the witness under deposition or his counsel shall invoke the provisions of this Protective Order in a timely manner and designate the level of restriction. During the deposition, parties shall be excluded from testimony designated "Outside Counsel Only." The witness under deposition or his counsel shall have the right, within fifteen days of receiving a transcript of the deposition, to designate, or change, the confidentiality designation of the transcript or portions thereof. For depositions containing some Protected Information and some non-Protected Information, a separate confidential transcript, apart from the usual transcript, shall be prepared by the court reporter. Counsel for the party asserting that certain documents or testimony contains Protected Information shall endeavor to characterize the level of confidentiality for the Protected Information during the deposition.
 - 7. Any documents, discovery responses or deposition transcripts stamped

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or marked "Outside Counsel Only," as well as any copies or excerpts thereof, or analyses or reports that pertain thereto, and any deposition testimony or portion thereof marked as "Outside Counsel Only" may be made available only to:

- a. Attorneys of record for the receiving party and employees of such attorneys on a need to know basis;
- b. Judges, law clerks and other personnel of the Court before which this proceeding is pending;
- c. Independent experts retained by the attorneys for purposes of the litigation that are not directly associated with a party, whom the receiving party identifies to the producing party seven days prior to disclosure to such expert, and who have signed and agreed to abide by the "Confidentiality Agreement for Others" (Exhibit A);
- d. Court reporters and their staff that are required to transcribe testimony;
- e. Outside litigation support vendors, including commercial photocopying vendors, scanning services vendors, coders and keyboard operators;
- f. Any person who is identified on the face of any designated "Outside Counsel Only" material as an author or recipient thereof or who is an officer, director, managing agent, or principal of the company that produced the Protected Information to the receiving party;
- g. Any person who is determined to have been an author and/or previous recipient of "Outside Counsel Only" designated material, but is not identified on the face thereof, provided there is prior testimony of actual authorship or receipt of the "Outside Counsel Only" designated material by such person; and
- h. Representatives of insurance carriers providing a defense or indemnity to any of the parties and who have signed and agreed to abide by the "Confidentiality Agreement for Others" (Exhibit A).

Notwithstanding the provisions of Paragraph 7, specifically identified

information, documents, testimony, or other confidential materials marked "Outside" Counsel Only" may be disclosed to principals or general counsel of the receiving party, to whom disclosure is reasonably necessary for this litigation, on a need to know basis. Written notice of intention to provide such information or documents to principals or general counsel of the receiving party shall be provided to counsel for the producing party by facsimile or email seven days before the intended disclosure and shall specify the identity of the individual(s) to whom the intended disclosure will be made, along with the reasons why such disclosure is necessary. Such written notice need only disclose why such disclosure is necessary in general terms and need not specifically identify which documents the disclosing party intends to disclose. Also, such written notice does not constitute and should not be construed as a partial or complete waiver of the attorney-client privilege or the work product doctrine. If there is a written objection within the seven-day period and the objection is not resolved between counsel, the party seeking disclosure shall not disclose the information or documents. Upon notice to the party seeking disclosure within the seven-day period, the party objecting to disclosure shall have the right to bring the dispute before the Court for resolution within seven days of giving such notice. Failure to bring the dispute before the Court within this time period shall be construed as a withdrawal of any objection to the disclosure. The parties shall not unreasonably object to the disclosure of information and documents marked "Outside Counsel Only" to principals or general counsel of the receiving party. The party objecting to the disclosure shall have the burden of showing why the information or documents should not be disclosed to requested persons. The parties recognize that the disclosure of such confidential material to the principals or general counsel of the parties may be critical to the ability to proceed in this case and analyze and participate in settlement discussions.

8. Any documents, discovery responses or deposition transcripts stamped "Confidential," as well as any copies or excerpts thereof, or analyses or reports that

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- pertain thereto, and any deposition testimony or portion thereof marked as "Confidential," may be made available only to:
 - a. Representatives of the parties on a need to know basis;
- b. Attorneys of record for the receiving party and employees of such attorneys on a need to know basis;
- c. Judges, law clerks and other personnel of the Court before which this proceeding is pending;
- d. Independent experts retained by the attorneys for purposes of the litigation that are not directly associated with a party, whom the receiving party identifies to counsel for the producing party by facsimile or email seven days prior to disclosure to such expert, and who have signed and agreed to abide by the "Confidentiality Agreement for Others" (Exhibit A);
- e. Court reporters and their staff that are required to transcribe testimony;
- f. Outside litigation support vendors, including commercial photocopying vendors, scanning services vendors, coders and keyboard operators;
- g. Any person who is identified on the face of any designated "Confidential" material as an author or recipient thereof or who is an officer, director, managing agent, or principal of the company that produced the Protected Information to the receiving party;
- h. Any person who is determined to have been an author and/or previous recipient of "Confidential" designated material, but is not identified on the face thereof, provided there is prior testimony of actual authorship or receipt of the "Confidential" designated material by such person; and
- i. Representatives of insurance carriers providing a defense or indemnity to any of the parties and who have signed and agreed to abide by the "Confidentiality Agreement for Others" (Exhibit A).
 - 9. Written notice of intention to provide information or documents to

1 experts pursuant to Paragraphs 7(c) and 8(d), shall be provided to counsel for the 2 producing party by facsimile or email seven days before the intended disclosure and 3 shall specify the identity of the individual(s) to whom the intended disclosure will 4 be made, and that person's occupation and employer. If there is a written objection 5 within the seven-day period and the objection is not resolved between counsel, the 6 party seeking disclosure shall not disclose the information or documents, but shall 7 have the right to bring the dispute before the Court for resolution. The parties shall 8 not unreasonably object to the disclosure of information and documents to experts 9 pursuant to Paragraph 7(c) and 8(d). The party objecting to the disclosure shall 10 have the burden of showing why the information or documents should not be disclosed to the identified expert. The parties further agree that an expert whose 11 12 identity is disclosed pursuant to this paragraph cannot be deposed regarding any 13 subject related to this litigation, unless the expert has been designated as a testifying 14 expert by the retaining party, and then in a manner consistent with the Federal 15 Rules of Civil Procedure governing expert discovery. 16

- 10. For purposes of this Protective Order, an expert witness shall not be deemed to be "independent" if he is (a) a party to this litigation, or an officer, shareholder, owner, manager, partner, distributor, seller, advertiser, independent contractor, affiliate, director, employee, former employee or contractor, or relative of a party to this litigation, or a party's parent, subsidiary, predecessor-in-interest, successor-in-interest, related entity or affiliate; or (b) an officer, shareholder, owner, manager, partner, distributor, seller, advertiser, independent contractor, affiliate, director, employee, former employee or contractor, or relative of a direct competitor to a party to this litigation, or the competitor's parent, subsidiary, predecessor-in-interest, successor-in-interest, related entity or affiliate.
- 11. Each person permitted by the parties or their counsel to have access to Protected Information under Paragraphs 7(c), 7(h), 8(d) and 8(i) this Protective Order shall, prior to being given such access, be provided with a copy of this

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Protective Order for review. Upon receiving this Protective Order, each person shall sign a statement in the form of **Exhibit A** hereto indicating that he has read the Protective Order and agrees to comply with its terms.

- 12. The restrictions set forth in this Protective Order shall not apply to information that is known to the receiving party or the public before the date of its transmission to the receiving party, or which becomes known to the public after the date of its transmission to the receiving party, provided that such information does not become publicly known by any act or omission of the receiving party, its employees, or its agents that would be in violation of this Protective Order.
- discloses information subject to a claim of attorney-client privilege, work product immunity, or any other protection provided under the law ("Inadvertently Disclosed Privileged Information"), the disclosure of the Inadvertently Disclosed Privileged Information will not constitute or be deemed a waiver or forfeiture of any claim of privilege, work product immunity, or any other protection that the producing party would otherwise be entitled to assert with respect to the Inadvertently Disclosed Privileged Information and its subject matter. If a claim of inadvertent disclosure is made by a producing party with respect to Inadvertently Disclosed Privileged Information, the receiving party: (a) will, within five (5) business days, return or destroy all copies of the Inadvertently Disclosed Privileged Information and certify that all such Inadvertently Disclosed Privileged Information has been returned or destroyed; and (b) must take reasonable steps to retrieve the information if the receiving party disclosed it before being notified by the producing party.
- 14. Any document or evidence that is designated as containing Protected Information and that a party wishes to file with the Court shall be presented to the Court along with a written application and proposed order for filing under seal according to the procedures set forth in Local Civil Rule 79-5.1. Furthermore, any such document or evidence so presented to the Court shall be placed in a sealed

envelope or other appropriate sealed container marked on the outside with the title of the instant action, and a statement substantially in following form:

CONFIDENTIAL

This document is subject to a Protective Order issued by the Court and may not be examined or copied except in compliance with that Order.

Any other party shall be permitted to file a supporting or supplemental brief within four business days of the initial motion for filing under seal being filed. All papers and filings with the Court that refer or rely upon any document or evidence filed under seal shall designate the particular aspects that are confidential.

- 15. If, at any time during the preparation for trial, any party believes that any other party or non-party has improperly designated certain information as "Confidential" or "Outside Counsel Only" or believes that it is necessary to disclose designated information to persons other than those permitted by this Protective Order, and the producing party does not agree to change the designation or to the further disclosure, the objecting party may make an appropriate motion to the Court requesting that the specifically identified documents, information and/or deposition testimony be excluded from the provisions of this Protective Order or be available to specified other persons. It shall be the burden of the party that makes the designation to demonstrate that the material or information at issue was properly designated. It shall be the burden of the party seeking the disclosure to persons other than those designated in this Protective Order to show that such disclosure is necessary.
- 16. In the event that a party is served with a subpoena by any person, firm, corporation, or other entity that is not a party to this action, is not a signatory to this Protective Order or otherwise is not bound by this Protective Order, that seeks to compel production of "Confidential" or "Outside Counsel Only" information or documents, the party upon whom the subpoena is served shall give written notice of the subpoena to the party that has asserted that the information or documents

subject to the subpoena are "Confidential" or "Outside Counsel Only." The written 1 2 notice required by this paragraph shall be given no later than seven days after 3 receipt of the subpoena, or before the production date set forth in the subpoena, 4 whichever is earlier. The party who designated the subject information or documents as "Confidential" or "Outside Counsel Only" shall have the 5 6 responsibility to obtain an order from the Court quashing the subpoena, a protective 7 order, and/or such other relief as will protect the confidential nature of the subject 8 information or documents. If such a motion is filed before the requested production 9 date, the party upon whom the subpoena, discovery request, or order is served shall 10 not produce the subject information or documents requested in the subpoena, 11 discovery request, or order until after such time as the Court rules on the motion to 12 quash the subpoena or motion for protective order. If an order quashing the 13 subpoena or motion for protective order is obtained, the party upon whom the 14 subpoena, discovery request, or order is served shall comply with the order. If no 15 motion to quash or motion for protective order is filed before the scheduled 16 production date set forth in the subpoena, discovery request, or order, or if the 17 motion to quash the subpoena or motion for protective order is denied, the party 18 upon whom the subpoena, discovery request, or order is served may comply with 19 the same without being deemed to have violated this Protective Order. 20 17. 21 22 18.

- The Protective Order may be modified only in writing by the parties and approved by an order of the Court, or by motion to the Court.
- In the event that this case proceeds to trial, all information or documents designated as "Confidential" or "Outside Counsel Only" will become public and presumptively available to all members of the public, including the press, unless sufficient cause is shown in advance of trial to proceed otherwise.

18a. If a party makes a dispositive motion prior to trial, this Order shall not govern the use of material submitted in connection with the motion. If a party desires protection of such material, the party shall apply separately for such

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protection, making the application directly to the judicial officer who will hear the motion

- 19. Upon termination of this proceeding, unless the attorneys of record otherwise agree in writing, each party shall: (a) assemble and return all designated materials, including copies, to the person(s) and entity(ies) from whom the material was obtained, or (b) destroy all designated materials and provide the other party with written certification that such destruction was made. The attorney of record may retain one copy of any designated materials, to be kept confidentially, and retain all copies of designated materials containing attorney work product information.
- 20. In the event any party discloses material containing confidential information, but that such party inadvertently did not designate as "Confidential" or "Outside Counsel Only" the receiving party agrees, upon request by the disclosing party, to return the un-designated material promptly, for reproduction by the disclosing party with the appropriate confidentiality, or to mark the material directly with the confidentiality designation requested by the disclosing party.
- 21. This Protective Order shall not prejudice the right of any party or non-party to oppose production of any information on the ground of attorney-client privilege, work product immunity, or any other protection provided under the law.

IT IS SO ORDERED.

Dated: <u>August 15, 2011</u>

UNITED STATES MAGISTRATE JUDGE

Respectfully submitted by:

MANATT, PHELPS & PHILLIPS, LLP
ATTORNEYS AT LAW
LOS ANGELES

1	CONFIDENTIALITY AGREEMENT FOR OTHERS
2	1. I have been asked by or its counsel to receive
3	and review certain materials or testimony that have been designated as
4	"Confidential" or "Outside Counsel Only" within the terms of the Protective Order
5	entered in the U.S. District Court, Central District of California, case entitled
6	Summit Entertainment, LLC v. B.B. Dakota, Inc., et al., Case No. CV 10-04328-
7	GAF (RZx).
8	2. I have read the aforementioned Protective Order, and agree to be
9	bound by it.
10	3. I declare the foregoing is true under penalty of perjury under the laws
11	of the United States of America.
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